

APPENDIX No. 1

Swansea, and the states of Guernsey. These authorities have been working under license from the Postmaster General, and have all started telephone exchanges, which have grown with great rapidity and which are in a flourishing condition. In all these places, except in Guernsey, they have to compete with the National Telephone Company, which may be compared with the American Bell Telephone Company in America. The effect as regards numbers of telephones has been startling. The Island of Guernsey, which has only a population of 40,300, possesses 1,400 telephone stations, or one to every twenty-nine inhabitants, and the number continues to grow. In fact, Guernsey is the best telephoned area in the United Kingdom. Glasgow possesses something like 25,000 or 28,000 telephones, whereas, before the corporation began to compete the number was only 5,000. The population of Glasgow is approximately the same as that of Liverpool and Manchester, but these last two cities, which are in the hands of the National Telephone Company exclusively, have only some 9,000 or 10,000 telephones each. Similar great development has attended the opening of the municipal exchanges in the other towns I have mentioned. The town councils naturally know what the citizens require in the way of telephone facilities, and are able to meet these wants more accurately and more intelligently than a company working from London. In other countries, such as Sweden and Norway, a much greater development in telephony has occurred than in Great Britain, owing to the fact that in both these countries, as in Denmark, telephony has been for a good many years in the hands of local concerns, sometimes town councils and sometimes companies. But the principle of local administration has been adhered to in both cases. Sweden, Norway and Denmark have more telephones in proportion to their populations than any other European country.

When we turn to countries in which the management is centralized, as in Germany, France, Austria, Belgium, Spain and Portugal, we find that the results are far more satisfactory, and that the development of telephony is slower. My views, therefore, run counter to the establishment of any one central authority in Canada, unless the drawbacks which surely attend on centralization can be modified or neutralized by the appointment of local advisory committees possessing a voice in the rules and regulations under which telephones are administered in their several districts.

I do not think that the conditions which prevail in Quebec agree at all with those which would have to be met, say in Halifax or Toronto. Each of these cities unquestionably possesses its own particular requirements, and these could not be met by a central authority at Ottawa unless controlled, as I have suggested, by local committees. I am in consequence of my experience, opposed to the acquisition of all the British telephones by the post offices, as I am sure that the officials in London would not work with the advisory committees or with the Chambers of Commerce, and I doubt seriously whether the transfer of the telephones to the state would produce any better results than are now obtained under the National Telephone Company and the municipalities.

I am addressing to you under another cover a copy of a paper which I read at the Ipswich meeting of the British Association some years ago, in which the results of local control as compared with centralized control are set forth in a striking manner. Since this paper was read there has been no occasion to modify my opinion, and I still adhere to it as strongly as ever.

I have the honour to be, sir,
Yours very faithfully,

A. R. BENNETT.